UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA,	:	Civil Action No. H-79-704
Plaintiff,	:	
	:	
-vs-	:	AFFIDAVIT
	:	
SOLVENTS RECOVERY SERVICE OF	:	
NEW ENGLAND AND LORI ENGINEERING	:	
COMPANY,	:	
Defendent	:	
	:	

I, Scott C. Fredricks, first being duly sworn, depose and say as follows:

1. Since February, 1982, I have been employed by the Washington, D.C. (headquarters) office of the United States Environmental Protection Agency as a National Project Officer in the Hazardous Site Control Division of the Office of Solid Waste and Emergency Response. My duties in this position are to manage the contract for the Field Investigation Teams (FIT), providing guidance and oversight to EPA regional office Deputy Project Officers and the contractor, Ecology and Environment. I develop contract procedures, evaluate contractor performance, approve subcontracts and initiate task orders out of the EPA headquarters office.

2. In this capacity, I performed work on the case of U.S. vs. Solvents Recovery Services of New England. My work on this case has been to approve headquarters requested subcontracts, to evaluate performance of general contractual responsibilities, and to request summary reports as needed.

3. The attached summary document details the costs incurred under a level of effort contract #68-01-6056 with Ecology and Environment for field work, environmental sampling, well drilling, hydro-geological and chemical engineering consulting work and interpretations on the Solvents Recovery case.

4. The total expenses to the government for the work described in item 3 above was $142,464.90.

Further, Affiant sayeth not.

Further, Affiant sayeth not.

_____

Scott C. Fredricks

Subscribed and sworn to before me
this _____ day of _____, 1982

_____
Notary Public

My commission expires on _____.

ecology and environment, inc.

ROSSLYN CENTER, 1700 NORTH MOORE ST., ARLINGTON, VA. 22209, TEL. 703-522-8065

International Specialists in the Environmental Sciences

TO: FIT Leader, Region VI

FROM: National Project Management Office, Field
               Investigation of Uncontrolled Hazardous
               Waste Sites

DATE: September 14, 1982

SUBJECT: Cost Estimates for FIT Effort Under EPA
               Contract No. 68-01-6056-Royal Hardage Site,
               Criner, OK

REFERENCES: A. Telecon; K. Malone – L. Welzel, September 8, 1982,
                   subject as above
               B. Telecon; K. Solari – L. Welzel, September 8, 1982,
                   subject as above

IN REPLY REFER TO: EFIC HQ-8209-414

As discussed in referenced telecons, various cost analysis
techniques for establishing realistic values for FIT effort on
specific site investigations have been evaluated by the NPMO
throughout the course of the contract. The basic concept that has
been employed is to distribute all costs associated with the FIT
program parametrically on a cost manhour effort.

Early in the program our cost analysis indicated that the
appropriate rate was approximately $35.00 per direct labor hour
expended on a specific site tasking. This rate was generated by
tabulation of all program costs, removing subcontracting expenditures,
which are highly variable from site to site, and then dividing by
the total number of direct labor hours. The parametric rate could
be used to determine the cost associated with a particular site by
multiplying the number of direct labor hours expended on an in-
vestigation by the $35.00 per hour rate, and then adding the cost of
subcontracts specific to the site to establish the total cost of the
investigation.

While the rate of $35.00 per direct labor hour continues to
remain valid, experience and further analysis of this approach
have shown that many direct labor hours (management and secretarial
effort) are not uniquely charged to specific site investigations,
but are spread over several sites. Consequently, not all direct
labor hours are identifiable to the specific site and the cost
value generated by this methodology is frequently understated.

A more precise method to determine specific site investigation costs under the current FIT contract has evolved through refinement of the earlier technique. The net program costs are again derived by subtracting all subcontracting costs from the overall cost of the contract. This net cost is then divided by the total number of level of effort manhours to arrive at an average cost per manhour of technical personnel. Based on our contract costs through July 31, 1982, this parametric cost is $40.51 per level of effort hour. This figure incorporates all contractor incurred direct and indirect charges associated with the administration, management, and performance under the FIT contract, to include all wages, fringe, overhead, fees, clerical support, travel, office rental and supplies, field equipment and expendable materials, but does not include subcontracting costs for site specific tasks such as well drilling, surveying, engineering consultants, expert witnesses, etc. (Please take note that the figure cited also does not address EPA internal costs associated with the administration and management of our prime contract, nor the cost of sample analysis).

Before application of this parametric cost rate to determine cost recovery values for litigation, another point must be considered. Our experience on the FIT contract has shown that at least 25% of all available level of effort hours are expended on essential investigation activities that cannot be identified or tabulated to specific hazardous waste sites. Some examples are equipment cleaning, repair, and maintenance; instrument calibration; technical literature research; refresher training; planning and coordination of multi site projects; and, field team management. In recognition of this fact, the number of technical personnel hours that have been charged to a specific site must by multiplied by a factor of 1.333 in order to legitimately distribute all costs at the $40.51 per hour rate derived above. After the prorata costs are calculated, the value of the site specific subcontracts can then be added to obtain the total cost of the field investigation effort.
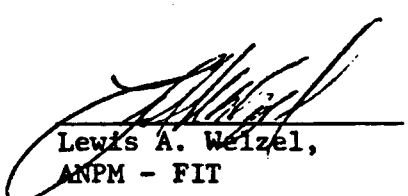
An example computation for the Royal Hardage Site would be
as follows:

FIT Region VI
Level of Effort Hours
Recorded for all TDDs
Issued on Royal Hardage Site,
Criner, OK   =   *1718 hours

Apply Factor for Non TDD
Technical Effort   x   1.333
                                                   ‾‾‾‾‾‾
                                                   2291 hours

Multiply by Cost per Level
of Effort Hour-Program
Wide Average   x $40.51
                                                   ‾‾‾‾‾‾‾‾‾‾
                                                   $92,808.41 $92,808.41

Add Cost of Subcontracting
(Details next page)   + $45,608.00
                                                                    ‾‾‾‾‾‾‾‾‾‾‾

                        TOTAL FIT COST   = $138,416.41

*Estimate provided by FITL,
 subject to further revision

    We believe that this information will prove useful to you on
this case. The same methodology would also apply to other sites in
the FIT program and the $40.51 per hour of technical effort and the
1.333 factor should remain constant. The variable inputs would be
the number of level of effort hours recorded by TDD number, and the
specific subcontract costs which have been applied to the site of
interest.

    Please feel free to contact the undersigned if you have any
questions on the analysis.

                                    Lewis A. Wetzel,
                                    AMPM - FIT

dma